

The Future of Retirement

What the world wants

Media factsheet – Mexico

In Mexico we talked to 1,000 individuals and 299 private-sector employers, interviewing them by telephone. We have organised their responses around five key questions:

1. What is retirement?
2. How will we pay for retirement?
3. When should we retire?
4. How do older workers compare with younger ones?
5. Do employers and employees think alike?

Key findings

- Mexicans tend to see retirement as a period of rest and relaxation, rather than as an opportunity for a new chapter in life.
- More than half of all Mexican respondents say that “keeping physically active” is a reason for continuing to work past retirement age – by far the highest proportion anywhere.
- Mexicans overwhelmingly agree that fitness is essential to a happy old age, but are unusual compared to other countries in regarding money as more important than friends and family.

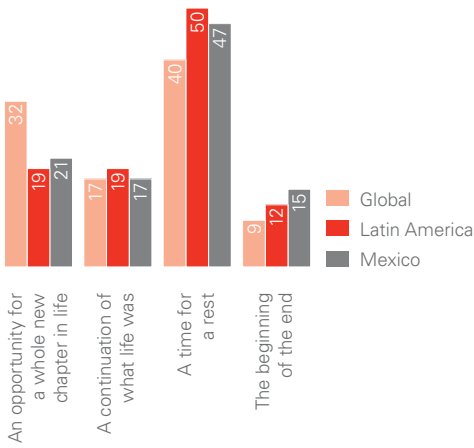
- Employers in Mexico begin to think of their employees as “older workers” several years before the typical age of retirement.
- Asked why they don’t do more to attract older workers, an unusually large number of employers in Mexico say the unions are an obstacle to this, or say that older workers are not as valuable and capable as younger ones.
- Mexico has an unusually high proportion of large private employers that have no mandatory retirement age.
- In Mexico only 1% of people believe that employers should bear the cost of supporting them in their retirement.

For the full global results, please go to www.thefutureofretirement.com.

1. What is retirement?

Mexico is typical of “transitional” economies in that retirement is seen as a period of rest and relaxation, whereas in advanced economies people tend to see it as a whole new chapter in life.

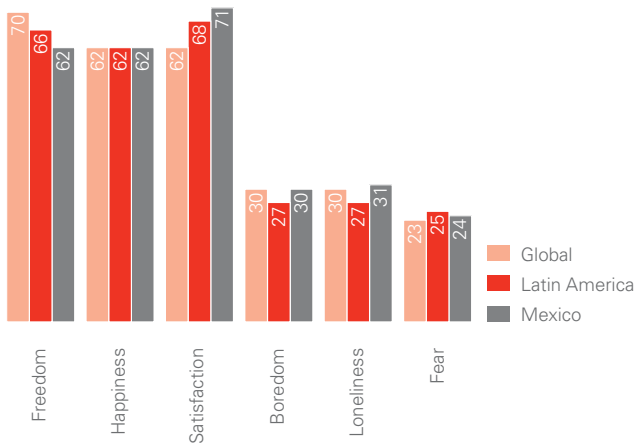
How individuals view retirement (in percent)



Source HSBC Future of Retirement Research 2006

Even so, Mexicans associate retirement with positive feelings such as freedom, happiness and satisfaction. But they are also more inclined than those in Latin America as a whole to associate it with loneliness and boredom.

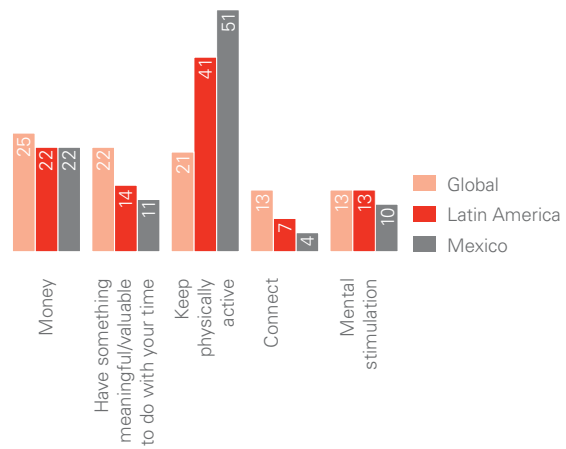
What individuals associate with retirement (in percent)



Source HSBC Future of Retirement Research 2006

More than half of all Mexican respondents say that “keeping physically active” is a reason for continuing to work past retirement age – by far the highest proportion anywhere. Only 4% – the fewest of all countries surveyed – say that “connecting with others” is a reason for continuing to work.

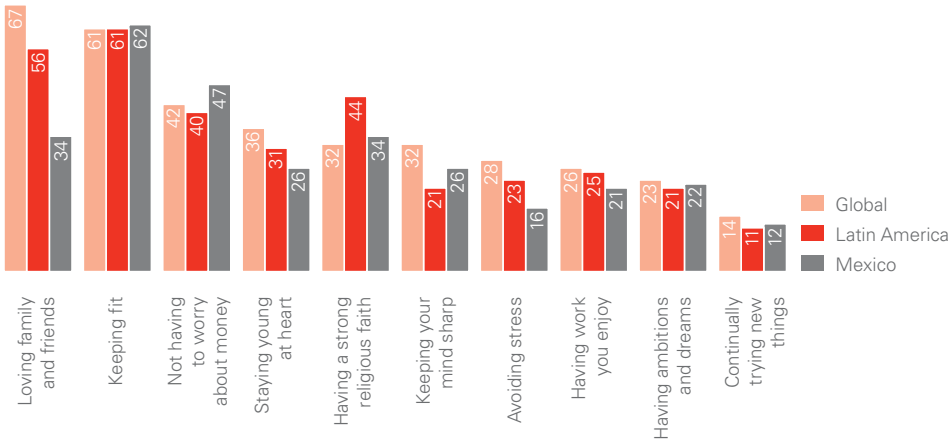
Reasons for individuals wanting to work in their later years (in percent)



Source HSBC Future of Retirement Research 2006

In most countries, family, friends and fitness are deemed important for a happy old age. Mexicans overwhelmingly agree that fitness is essential, but are likely to say that money is more important than friends and family.

What individuals think is important to achieve a happy old age (in percent)

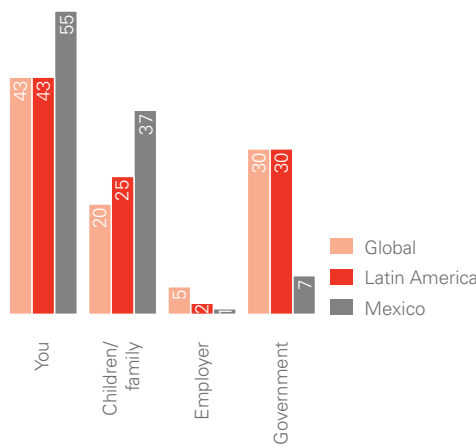


Source HSBC Future of Retirement Research 2006

2. How will we pay for retirement?

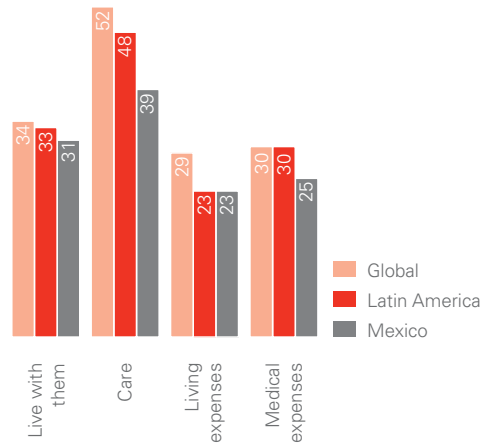
Mexicans are much more likely than people in Latin America as a whole to believe that they or their families will bear most of the costs of their own retirement (though many also express concern about being dependent on their families). In contrast, they are much less inclined than people in other countries to place the onus on their employer or government.

Who individuals think should bear most of the burden of supporting them in retirement (in percent)



Source HSBC Future of Retirement Research 2006

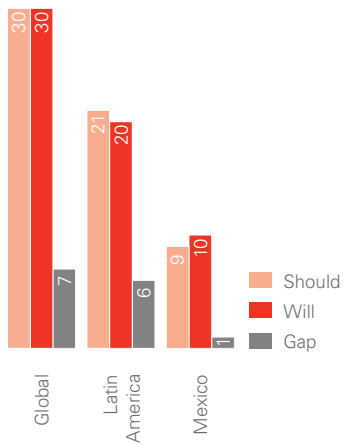
How individuals expect to rely on their children in their old age (in percent)



Source HSBC Future of Retirement Research 2006

Unlike in many other countries, Mexico has only a small confidence gap when it comes to government funding: those who believe that the government *should* bear the responsibility for their retirement believe that it *will* actually do so

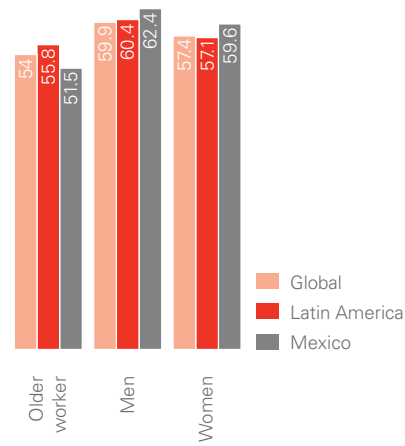
The gap between proportions of people thinking that governments should / will finance the ageing populations (in percent)



Source HSBC Future of Retirement Research 2006

In most countries employers begin to think of employees as “older workers” fairly shortly before they reach retirement age. In Mexico this shift to being seen as an older worker happens a full 11 years for men and eight years for women before the typical age of retirement. So more workers in Mexico are perceived to be “older”.

Typical retirement age versus best retirement age (in percent)



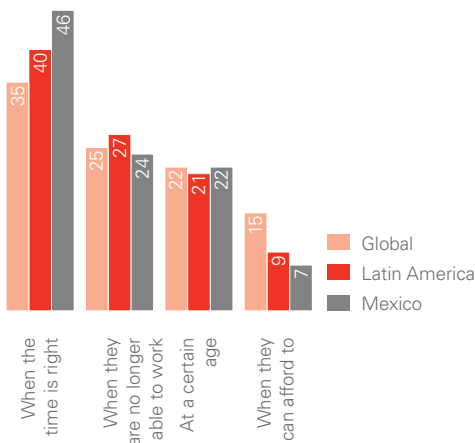
Source HSBC Future of Retirement Research 2006

3. When should we retire?

In Europe, Japan and the USA the age at which respondents think it best to retire closely matches the age at which people actually do retire. In Mexico, along with Brazil and India, up to 50% of men work after 65, whereas respondents say that the best age for men to retire is 60. This discrepancy may be caused by the fact that people in Mexico cannot usually afford to retire when they would like to.

This may explain why Mexicans are more likely than people in other countries to say that people should retire when the time is right for them.

When individuals would choose to retire? (in percent)

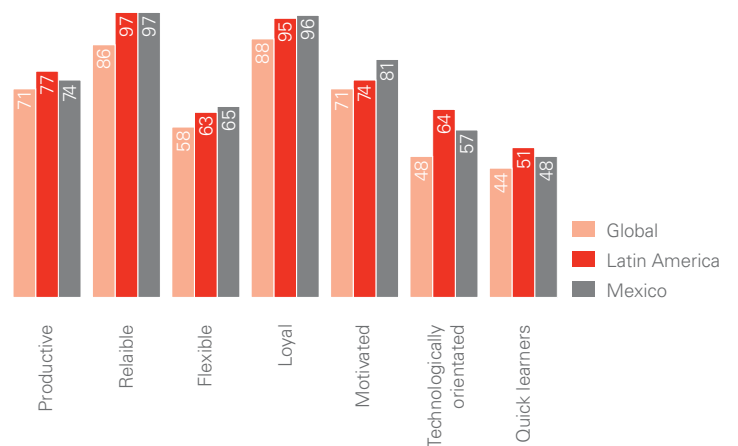


Source HSBC Future of Retirement Research 2006

4. How do older workers compare with younger ones?

Mexican employers believe that their workers are just as employable as younger workers – especially when it comes to reliability, loyalty and motivation.

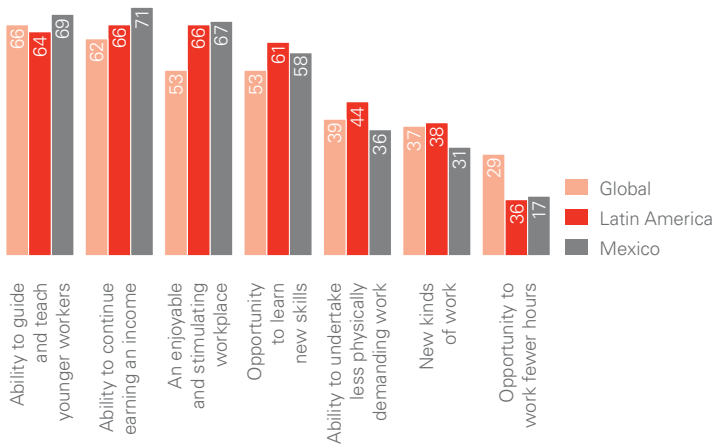
Proportion of employers who view older workers as more loyal, reliable etc... (in percent)



Source HSBC Future of Retirement Research 2006

So it isn't surprising that Mexican employers offer their older workers a range of opportunities, though these are unlikely to include working fewer hours.

What opportunities employers currently offer older workers (in percent)



Source HSBC Future of Retirement Research 2006

Asked why they don't do more to attract older workers, an unusually large number of employers in Mexico say the unions are a problem, or say that older workers are not as valuable and capable as younger ones.

5. Do employers and employees think alike?

Around the world, the larger an organisation is the more likely it is to have a mandatory retirement age. But Mexico has an unusually high proportion of large private employers (87%) that have *no* mandatory retirement age. This brings them into line with Mexican people in general, 85% of whom say that people should be able to carry on working for as long as they feel able.

In most countries employers are more likely than their employees to see the government as having responsibility for funding people's retirement. In Mexico the disparity is particularly marked: 45% of employers feel that governments *should* bear most of the financial costs of supporting employees in retirement, compared with only 7% of individuals who say this. And while 42% of employers feel that governments *will* bear these costs, only 6% of individuals believe so.

In Mexico only 1% of people believe that employers *should* bear the cost of supporting them in their retirement – an unusually small proportion. In contrast, 24% of employers believe that they *should* and 25% feel that they *will* bear most of these costs.

In Mexico 46% of individuals and 64% of employers think that governments should enforce private savings – both considerably higher than the global average.